

Steps & Strides*



Corporate Responsibility Report 2007/2008

This is our third Corporate Responsibility Report. Like last year, it focuses on our impact in the marketplace and on our people, the environment and the communities in which we live and work. In drawing up our CR priority areas we look back at our activities and set new objectives for the road ahead.

To us, CR is a matter of steps and strides. It started years ago with a commitment to CR in our Code of Conduct and it evolved into many different initiatives aimed at engaging with our communities. Now we are taking steps to further integrate CR into our business, our organisation and our culture. This means we are moving into a new phase of maturity. We aim to continue along this path with steady tread. CR now forms an intrinsic part of our business strategy and there is no turning back.

Please note that this report forms part of PwC's Annual Report, which can be found at www.pwc.nl/annualreport

PricewaterhouseCoopers provides sector-specific services in the fields of Assurance, Tax & HRS and Advisory. Our objective is to help our clients improve their operational agility – not only as a service provider but also as a business partner. We give practical advice, identify opportunities and suggest innovative solutions: with a result-driven focus and often from a surprising perspective. We do this with some 4,600 colleagues in the Netherlands and more than 146,000 people in 150 countries around the world on the basis of our Connected Thinking philosophy. We serve large national and international companies as well as governments, not-for-profit organisations and private companies.

'PricewaterhouseCoopers' refers to the network of participating member firms of PricewaterhouseCoopers International Limited. Each member firm is a separate and independent legal entity.

| | |
|-------------------------------|----|
| Our CR agenda | 3 |
| Our impact in the marketplace | 10 |
| Our impact on society | 12 |
| Our impact on people | 17 |
| Our impact on the environment | 21 |
| Key CR figures | 24 |
| Assurance | 26 |

PwC has designated Corporate Responsibility (CR) as a key strategic theme. It contributes to our achievement of strategic priorities, and particularly our aim to be a 'human-scale organisation'. CR is about our commitment to sustainable development as well as to the society in which we live and work. CR is a motivating philosophy that we expect our people to follow, both in their working practices and in their personal development. Finally, CR is a key asset in attracting and retaining talented employees – employees who are focussed not only on our clients, but also on the world around them.

Our CR agenda

Our approach

Within CR we distinguish three levels that are inextricably linked. Jointly they determine how we interact with our stakeholders on a day to day basis.

The first level is all about our values - the culture and ethics of our organisation and the written and unwritten rules of behaviour, which together constitute the basis of what PwC stands for.

The second level is concerned with sustainable development - our aim to interact with people and the environment in a fair and even-handed manner and, in doing so, to meet the expectations of our stakeholders in terms of the way we do business and provide services.

The third level concerns community engagement. We are actively exploring our own environment to identify opportunities to deploy our knowledge and expertise for projects that benefit our communities.

At these three levels we approach CR from different perspectives, which we call our four quadrants: marketplace, society, people and environment. By carefully weighing the impact of our decisions on each of these quadrants, we are able to fulfil our commitment to CR through a balanced strategic approach.

Impact in the marketplace

Perhaps the greatest impact we have as an organisation stems from the manner in which we serve our clients and operate in our markets. Our products and services, our professionals and our innovative power, together with our policy of selecting those clients where we believe we can realise the greatest added value, are the key determinants of our impact. Our role as purchaser is also relevant in this context and, in the past financial year, we have developed a sustainable purchasing policy for implementation in the coming year.

Impact on Society

As thought leader we play a role in the public debate on such wide-ranging issues as governance and transparency, reporting, fraud and corruption and taxation. Our Industry specialists contribute to the development of the sectors

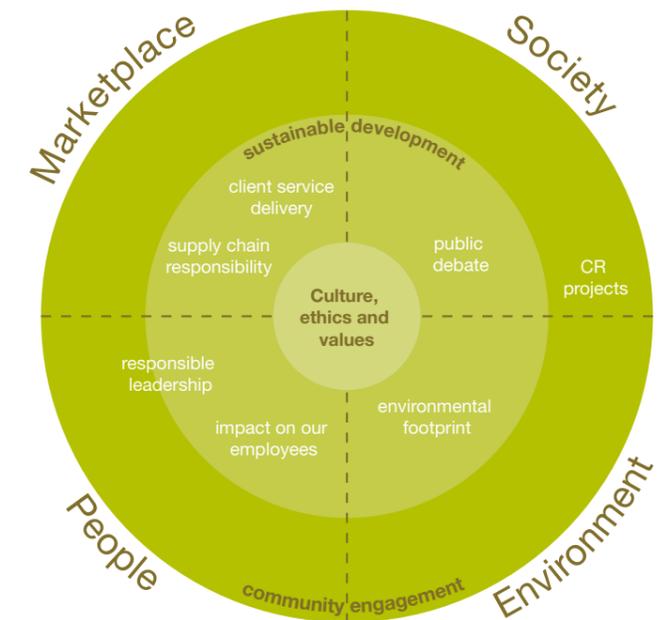
in which they are working, for instance by means of publications and the organisation of events. We give further shape to our role in society as a knowledge organisation through the pro bono CR projects we carry out and in the positions that PwC employees fulfil in civil society organisations.

Impact on people

The positive impact of our CR is mainly achieved through our people. We increase that impact by devoting a great deal of attention to talent management, management development and responsible leadership. Key aspects here are diversity, equality, safety, health, well-being and good working conditions combined with an acceptable workload and respect for the personal lives of our people.

Impact on the environment

Though business service providers are not the biggest polluters, we have a relatively large lease fleet and are frequent flyers. Other areas where we can reduce our impact on the environment are paper consumption, energy consumption and waste.



About our Corporate Responsibility Report

PwC reports annually on the Corporate Responsibility issues that we – in dialogue with our stakeholders – believe to be the most relevant to our company. The definitions and reporting criteria we apply are largely unchanged compared to last year. Those changes that have taken place are identified and explained.

The information in this report is confined to our activities in the Netherlands. The information we have included regarding the international PwC organisation was taken directly from the global PwC Corporate Responsibility report entitled 'Taking responsibility in our communities' (www.pwc.com/crdialogue). As in the other sections of our Annual Report, the data in the Corporate Responsibility Report relate to the past financial year (1 July 2007 through 30 June 2008).

The quantitative information in this Corporate Responsibility Report is based on measurements, unless other methods are stated. The information was obtained centrally using a standardised questionnaire completed by the applicable departments. In addition, we made use of data from our central systems, including our financial records.

CO₂ emissions are calculated with the aid of publicly available conversion factors. As energy data were not

available for all office buildings, some of the information on energy use is based on extrapolation (as indicated in the text). CO₂ emissions were calculated using conversion factors from the UNEP report 'The GHG Indicator' (2000), which are as follows:

- Diesel: 0.156 kg CO₂ / km
- Petrol: 0.185 kg CO₂ / km
- LPG: 1.65 kg CO₂ / litre
- Short-haul flight (< 1,000 km one way): 0.18 kg CO₂ / km
- Long-haul flight (> 1,000 km one way): 0.11 kg CO₂ / km
- Train: 0.034 kg CO₂ / km
- Gas consumption: 1.78 kg CO₂ / m³
- Electricity consumption: 0.435 kg CO₂ / kWh



We apply the Global Reporting Initiative (GRI) G3 guideline to the extent that it is applicable to our organisation. The GRI Table is included in the appendix. The table refers the reader to the page containing information about each indicator. G3 distinguishes different

levels of application. This report is based on the B+ application level. The '+' indicates that external assurance was obtained for the report.

We have requested our external auditor, KPMG, to provide assurance as to the reliability of the data presented. KPMG's assurance report, which includes a description of the work performed, can be found on page 26 of this report.

Overarching objectives 2008/2009

- Further integration of CR into our services and into our organisational structure;
- Further increase in the CR involvement of our employees.

Eight priorities

Following on from our impact analyses and our stakeholder dialogue, last year we set ourselves eight priorities. This Corporate Responsibility Report sets out the status of each priority, indicating the progress made as well as areas for further improvement. Finally, the key CR indicators section provides an overview of the quantitative performance indicators for each of these priorities.

Embedding in the organisation

We have set ourselves the goal of integrating CR into all aspects of our organisation. In the past year we have

embedded this further by incorporating CR into our planning and control cycle. This means that at the beginning of each year the Board of Management sets objectives and allocates resources to achieve these. Towards the end of last year the Board of Management and the CR Officer jointly evaluated the results and reviewed the policy and the objectives for 2008/2009.

One important element of the CR year plan for 2008/2009 is further embedding. Last year, we initiated semi-annual reporting on our CR indicators. In order to monitor performance more effectively, reporting will take place quarterly as from 2008/2009 and the most important indicators will be included in the management report to the Board of Management.

| Priority | Description |
|----------------------------|---|
| Culture, ethics and values | 1 Strengthen our reputation as a responsible and committed company by reinforcing our culture and managing behaviour within our organisation. |
| Marketplace | Client service delivery 2 Ensure that our services and the way in which we operate in the market contribute to our reputation for integrity, responsibility and sustainability. |
| | Supply chain responsibility 3 Base our purchasing not only on financial criteria but also on environmental and social considerations, and treat our suppliers and subcontractors in a responsible manner. |
| Society | Public debate 4 Contribute to the public debate in areas where we have relevant experience and expertise, and develop and disseminate new knowledge and insight. |
| | CR Projects 5 Actively engage in the communities in which we live and work in a manner that does justice to our people's enthusiasm and best fits our knowledge organisation, namely by deploying our specialised expertise for the benefit of society. |
| People | Responsible leadership 6 Encourage the development of our people as responsible leaders, e.g. by intensifying staff coaching and talent management and by promoting diversity. |
| | Impact on our employees 7 Foster the well-being of our people by creating a healthy, safe and pleasant working environment where everyone is encouraged to reach their full potential. |
| Environment | Impact on the environment 8 Mitigate the impact of our business operations on the environment, including our paper consumption, energy use, waste management and transport. |

Also, we believe it is important to make CR management information available to other management layers. In the coming year we will provide insight into our CO₂ footprint at Business Unit level. Business Unit Leaders will also be given periodic management information on two key workload indicators: the 'number of screen-based working hours' and 'workload perception'. We expect that the increased awareness resulting from this will lead to further improvement.

Since last year CR has become an integral part of the planning process drawn up by the Industry sectors and Lines of Service. In order to promote embedding within the organisation, one of the objectives for 2008/2009 is to carry out more CR projects related to sector-specific social issues. The first of these was a 'serious gaming' project initiated by our TICE practice (Technology, Information, Communications and Entertainment). With the aid of computer gaming technology, the objective is to provide entertainment for seriously ill children which also provides them with background information about their illness. Specialists hope that this 'emotional computing' will help their efforts to advance the treatment of chronic illnesses. PwC has taken on the responsibility for guiding the project and for providing information on subsidies, administration and up-scaling of pilot projects.

CR Office

Within our organisation we see CR first and foremost as a line responsibility. For this reason our CR Office is not a corporate staff department. The CR Office consists of ten PwC people who devote part of their time to these duties and play a policy-support role under the direction of the CR Officer. The CR Office (consisting of some 3 FTEs) coordinates projects and provides extensive support, including internal and external communication. The CR Office has its own budget and reports directly to the chairman of the Board of Management. One important responsibility of the CR Office concerns the organisation and facilitation of the dialogue with our stakeholders. In the past year we have set up a partner panel and a client panel, and have also organised several meetings with representatives of Young PwC. In addition to their intended benefits, these efforts also have the positive side-effect of stimulating many participants to adopt the role of CR advocate within their departments and businessunits, thus giving further impetus to the embedding of CR within our organisation.

Dialogue with our stakeholders

We focus on the stakeholder groups most relevant to the success of our organisation, both internally (partners and employees) and externally (clients and civil society organisations).

This year, in addition to our stakeholder workshops and talks with the VBDO (Association of Investors for Sustainable Development) and CSR Europe, we also commissioned a study to identify what our clients consider to be the main focal areas for PwC's CR policy.

This indicated that they attach the most significance to PwC in its role as employer. The statements singled out as the most important were: 'This company puts the personal and professional development of its people first' and 'This company creates a pleasant and healthy working environment for its people'.

CR Index

In the past year an external research agency carried out a study into the perception of PwC's impact on society compared to that of its sector peers. A business panel of 300 respondents was asked what significance they attach to ten different CR aspects. In addition, the panel was invited to give the various professional service providers in our sector performance ratings for these aspects. The respondents did not know who had commissioned the study and they were selected at random. The results can be used to construct a CR Index, which benchmarks the rating for each aspect to the sector average and also reflects a weighting of the relative importance of that aspect. If the average score of the sector is set at 100, PwC achieved a CR Index of 114. This indicates that, on average, PwC's impact on society is perceived to be 14% better than that of its sector peers. Further analysis indicates a correlation between a high CR rating and the extent to which respondents prefer PwC as a service provider. We are planning to repeat this survey in the coming year to see whether a trend is evident.

Whilst the various stakeholder groups naturally placed emphasis on differing CR aspects, all stakeholder groups did stress the importance of setting clear CR objectives and targets. All stakeholder groups also emphasised the importance of firmly embedding CR in all layers of the organisation. A summary of the most important stakeholder concerns is shown in the table. This table is based on our dialogue in both the past financial year as well as on the previous financial year.

We use the dialogue with our stakeholders to give direction to our annual CR plan. We have formulated our eight priorities in broad terms, but within these parameters we seek to focus as far as possible on objectives and actions that meet the expectations of our stakeholders. For the coming year we are planning to organise stakeholder workshops on a more frequent basis in order to sustain the dialogue with stakeholders about our CR progress throughout the year and make adjustments as and when necessary.

| | Clients | Employees | Partners | Society |
|-------------------|--|---|--|--|
| CR Report | Include more quantitative information and targets; use benchmarks. | Include more quantitative information and targets. | Translate CR policy into tangible objectives and evaluate results. | Explain trends, CR strategy, objectives and key CR indicators. |
| | Devote attention to sharing of dilemmas. | Devote attention to dilemmas and less favourable results. | Explain how PwC responds to trends and developments. | Devote attention to supply chain responsibility. |
| | Explain how CR contributes to the PwC strategy. | Develop more information on work-life balance issues and 'My Projects'. | Explain the role that CR plays in the business strategy. | Do not integrate CR Report too much; aim at specific target group. |
| CR Policy general | Promote employee awareness and engagement. | Strengthen internal communication and internal discussions in the form of a 'CR Community'. | Make CR more recognisable through specific theme-based communications. | Link CR policy and objectives with social developments. |
| | | Benchmark CR performance with peer companies. | Adapt business model through increased behaviour management. | |
| Marketplace | Use influential role to put CR on the agenda at clients. | | Integrate CR into regular client service delivery. | Use opportunities as business service provider to promote sustainability at clients. |
| | Give the client selectivity policy more attention. | Strengthen social aspects in client selectivity process. | Have CR play a role in client relationships. | Include considerations in client selectivity. |
| | Strengthen the CR business proposition. | | | Strengthen the CR business proposition. |

| | Clients | Employees | Partners | Society |
|-------------|---|---|--|---|
| Society | Cooperate with other parties in community projects. | Encourage 'My Projects' more strongly through better communication. | Increase impact in our local communities. | |
| People | Widen PwC's diversity policy (NB not only gender diversity). | Extend diversity policy to ethnicity, age, etc. | Increase diversity in the organisation. | Specify objectives to increase diversity in the organisation. |
| | Monitor workload and healthy work-life balance. | Facilitate work-life balance choices (e.g. part-time work). | Increase passion and engagement with CR. | Assess performance management in relation to workload and stress. |
| | Devote attention to a safe working environment. | Devote more attention to health and well-being (sports, nutrition). | Strengthen partner and director role model behaviour via personal CR objectives. | |
| Environment | Formulate CO ₂ emission reduction targets. | Break down CO ₂ footprint to an individual level. | Widen the climate policy to air travel kilometres. | Expand the climate policy beyond car use alone. |
| | Promote environmentally-friendly communication (less travel and paper consumption). | Make offices easier to reach by public transport. | Make climate-neutral car lease scheme less voluntary. | |

Priority 1: Culture, ethics and values

As the worldwide organisation of PwC comprises many cultures, the common values and principles have been laid down in a global Code of Conduct. This code safeguards our integrity and the continuity of the PwC culture. Our commitment to CR is enshrined in the Code of Conduct. Each year we ask our employees to confirm that they are aware of the contents of the Code of Conduct and that they act accordingly. The Code of Conduct can be viewed on our website (www.pwc.com/codeofconduct).

Alongside our own PwC Code of Conduct, our international organisation is a participant in the United Nations Global Compact, a network-based initiative that has formulated principles in the areas of human rights, labour conditions the environment and anti-corruption. As signatories of this charter, all member firms of PwC undertake to uphold, actively promote and report on the ten principles of this external code.

The activities that we undertake in the field of CR would be of little value if they were not supported by the culture within our organisation. One important result of the stakeholder dialogue we conducted last year was that we must improve our communication regarding our Code of Conduct and CR initiatives. Consequently, for the year 2007/2008, we set ourselves the task of setting up a new E-learning course dedicated to the Code of Conduct together with an internal communication campaign aimed at informing and inspiring all PwC employees.

The interactive E-learning course is based on the issues we know our employees come across in their daily work. In September 2008 the course was brought to the attention of all partners and staff. Participation is obligatory and attendance records will be maintained centrally.

The internal communication campaign regarding CR and our Code of Conduct included posters in lifts, a special dedicated issue of our staff magazine and an automatically installed screensaver. The CR pages on our intranet were also updated. The volume of intranet visits during and shortly after the campaign was some 20% higher than normal. The number of applications for CR projects this year was also substantially higher than in 2006/2007.

Priority 1: Objectives for 2008/2009

- Intensify the internal communication campaign with new materials;
- Ensure that 99% of all PwC staffers attend the Code of Conduct E-learning course;
- Create a 'CR-Community', via intranet and other channels, to reinforce our CR culture.

Our impact in the market

Priority 2: Client service delivery

Our services are largely aimed at adding assurance to information and promoting transparency and trust. Because of this role, the market closely associates us with values such as integrity and independence. We attach great significance to this and we have strict procedures for ensuring that we work exclusively for legitimate companies and organisations. All new client engagements undergo an acceptance and approval process while ongoing engagements are periodically reviewed. This includes an evaluation of ethical aspects, such as the integrity of the client's management. We assess whether engagements expose our reputation for responsibility and integrity to particular risks. If so, this is taken into consideration in the decision whether to accept or reject a particular engagement. This helps us to choose clients who fit our organisation.

As auditor and adviser we regularly meet with executives of Dutch corporations. These occasions provide us with an opportunity to discuss CR issues, and we aim to make

Priority 2: Objectives for 2008/2009

- Make CR advocacy an integral part of our way of working;
- Develop the 'Forward Thinking Programme';
- Develop sector-specific action programmes.

these talks meaningful as we believe that this is an area where we can have considerable impact. Next year, to help ensure that CR is taken on board in each and every annual audit, we will be making CR an obligatory part of the 'PwC Audit Approach'.

Furthermore, we are currently working on the organisation of our 'Forward Thinking Programme', a three-day course at Cambridge University in which several of our partners will participate. The course is aimed entirely at such subjects as climate change, sustainable production and consumption,

Sustainability publications

We regularly perform studies and issue publications on specific sustainability themes. More information on these reports is available at www.pwc.com/sustainability. In 2007/2008 we published various reports as an international organisation. These included:

- **Going Green** – This research report highlights two developments in the technology sector with a direct bearing on sustainability, namely the growth potential of 'green' products and services and the potential cost savings that can be achieved by reducing energy consumption.
- **Sustainability Yearbook 2008** – For the fourth year in a row PwC and the SAM (Sustainable Asset Management) Group jointly presented the Sustainability Yearbook at the World Economic Forum in Davos. The yearbook is widely recognised as one of the most influential analyses of corporate sustainability results and of the most important trends in 57 different sectors.

- **Waking up to REACH** – This survey indicates that awareness and knowledge of REACH remain low, particularly outside Europe and the chemical sector, even though the REACH regulations took effect in the summer of 2007.
- **The Right Combination** – This study indicates that companies tend to use stakeholder panels as a supplement to the role of the external auditor. Stakeholder panels can play an important role in the link between corporate strategy and social reporting on the one hand and expectations of stakeholders on the other.
- **Working towards well-being** – Chronic illnesses are increasingly common and constitute a rising cost item for both companies and employees. In addition to a statistical summary of facts and figures, this study also provides concrete suggestions for the development of wellness programmes as a preventative healthcare measure within companies.

energy and demographic developments. The aim of the programme is to better equip our partners to discuss issues with clients which are key to the future of their company.

Our Sustainability advice

Sustainability and CR have moved up on strategic agendas of organisations. Everyone is showing interest and we notice that our clients are increasingly requesting CR advice. Through our sustainability and CR specialists we can therefore directly influence the way Dutch business and industry tackle these challenges. As a result, our revenues in CR-related services have increased some 50% since 2006/2007.

In our advisory services we approach sustainability and CR from a strategic perspective. Our Sustainability group is active in three main areas: Performance Improvement;

Transparency benchmark

Each year PwC carries out a transparency benchmark on behalf of the Ministry of Economic Affairs which covers the 175 largest Dutch corporations. The benchmark is designed to measure the quality of corporate responsibility reporting in the Netherlands. Using a framework of criteria, PwC assesses Dutch company reporting. The result is that the companies are then listed on a 'transparency ladder' in an annual report. It is evident from the transparency benchmark that the transparency of corporate CR policies and results have clearly improved in the Netherlands in recent years. With 96 points last year, Rabobank nearly achieved the maximum score. An international comparison will be made this year, for the first time, of the scores and each participating company will also receive an individual benchmark report indicating areas for improvement relative to the scores of their peers.

CR Reporting and Benchmarking; and 'Carbon Accounting' and Assurance. These areas cover a number of themes which can be used as a basis for raising a broad range of sustainability issues with our clients. Apart from general strategic matters such as climate change and responsible supply chain management, we also touch on specialised subjects such as the REACH legislation for the registration of chemical substances. As each sector has its own specific sustainability issues, we are seeking to develop a range of sector-specific services together with our specialists. One of the first steps we have taken was to hold a sustainability workshop last year for the technology sector as a follow-up to our 'Going Green' publication. In the coming year, we plan to organise similar workshops for other sectors.

Priority 3: Supply chain responsibility

In the past year we developed a sustainable purchasing policy for implementation in 2008/2009. Under this policy we will request our suppliers to conform to the same ethical business and sustainable development standards that we have formulated for ourselves in our Code of Conduct. They will be asked to confirm their compliance by signing a specific code of conduct which we drew up last year.

Priority 3: Objective for 2008/2009

- Arrange for at least 50% of our major suppliers to sign and return the Code of Conduct.

Our impact on society

Priority 4: Public debate

In the past year we consciously set out to encourage a more active dialogue and to play a more prominent and outspoken role in the public debate. Advertisements such as 'Nederland, durf te kiezen! (Holland, dare choose)' and 'Minder regels is goed, maar andere regels is nog beter' (Fewer rules is good but different rules is even better)' are two examples of the campaign we conducted towards the end of 2007.

We will continue these efforts to stimulate the debate in the coming year. The external survey into the impact of our CR policy demonstrates that respondents do recognise these efforts. The number of respondents who said that the statement 'This company plays an active role in the public debate about social issues by projecting a clear vision to the outside world' applied to PwC exceeded the sector average by 28% (see also box CR Index on page 6).

We aim to be the 'thought leader' not only on financial-economic issues but also in the field of CR. In the past year, for instance, we issued five Dutch-language publications in the 'Management in Society' series published by Koninklijke Van Gorcum. Together with Nyenrode Business University, PwC edits this series of books on business ethics and CR. The series ranges from PhD theses to educational textbooks.

In the international arena PwC contributes annually to the World Economic Forum in Davos, both in general discussions and as facilitator of dialogue sessions among clients. Other initiatives include our active involvement with the United Nations Global Compact and our leading role within the World Business Council for Sustainable Development (WBCSD), a coalition of more than 190 multinationals pursuing sustainable development. In 2008 Sam DiPiazza, CEO of our worldwide organisation, was appointed chairman of the Executive Committee of the WBCSD.

Priority 4: Objectives for 2008/2009

- Carry out at least two central 'thought leadership' projects on specific social issues;
- Communicate our vision regarding social themes in external communications;
- Perform more CR projects aimed at local community themes.

We also aim to contribute to the public debate at local level. We do this by being active in local and regional social networks, such as de Slinger (see page 15). In the coming year we intend to carry out more CR projects directed to local themes. In this way, we can involve more PwC people in CR and make a concrete contribution to matters that are closest to home.

Total Tax Contribution (TTC)

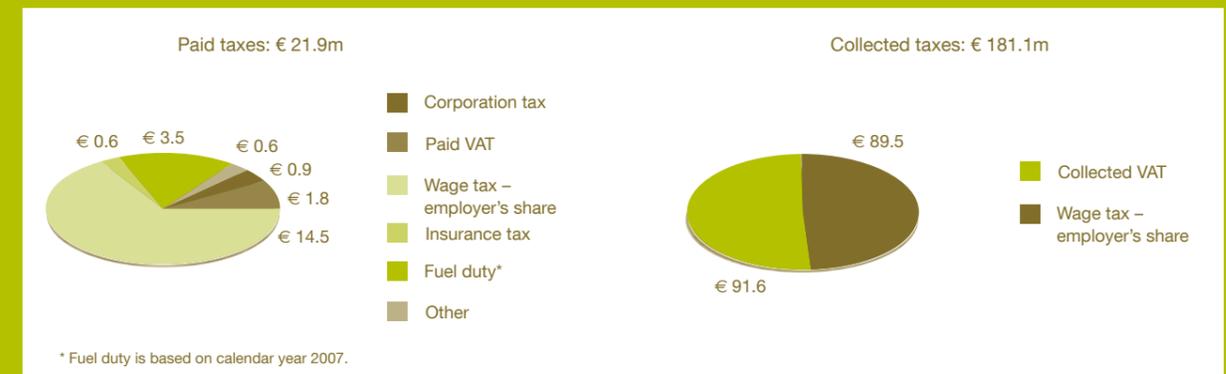
Paying taxes and corporate responsibility are two sides of the same coin. Consequently, it is important to obtain an accurate picture of the impact of taxes on companies and their stakeholders. We are convinced that companies will be increasingly required to provide insight into their aggregate economic tax contribution, also in response to growing calls from stakeholders for transparency on this issue.

In order to make this information more easily accessible, PwC has developed the Total Tax Contribution Framework (TTCF). Traditionally, the tax charge item in the income statement exclusively referred to corporation tax. Contrary to regular reporting standards for taxation, the TTCF provides insight into a company's total contribution to the treasury. Consequently, the TTCF can serve as a basis for a dialogue between the stakeholders and the company (responding to the need for a 'common language').

The TTCF includes all forms of taxation - i.e. not just corporation tax, but also wage taxes, VAT, transfer tax and local levies. The TTCF also makes a distinction between taxes that are a cost item for the company (e.g. corporation tax and transfer tax, hereinafter 'paid taxes') and taxes which the company basically collects on behalf of the Tax Authorities (e.g. VAT and wage tax, hereinafter 'taxation collected').

For 2006/2007 we also calculated our own TTC in order to give an indication of our total economic tax contribution to the Dutch treasury. During 2006/2007 PricewaterhouseCoopers B.V. paid various corporation taxes amounting to a total of € 21.9 million (paid taxes). The largest element was the employer's portion of wage taxes amounting to € 14.5 million. We also collected a total of € 181.1 million in taxes for the treasury (taxation collected). The largest element of this was VAT which amounted to € 91.6 million.

The major part of corporation tax on profits is borne directly by the shareholders of the holding company PricewaterhouseCoopers Holding B.V. and is therefore not included in these amounts.



Priority 5: CR Projects

One important pillar of our CR policy is made up of the pro bono projects that we carry out for civil society organisations. This is a direct way of contributing to society and making an impact through our knowledge and expertise. To sharpen the focus of these pro bono projects, we opted for the Charity Economy as the central theme. This term refers to the charitable sector in the Netherlands in the broad sense of the word, i.e. including well-known philanthropic institutions as well as the many private initiatives and projects.

Last year we partnered with the Civil Society Foundation, which represents the four industry organisations in the charitable sector (www.civilsociety.nl). The aim of the foundation is to develop and exchange knowledge within the charitable sector. Our target was to devote some 6,000 hours to projects under this partnership, but this proved to be overly ambitious. The past year was primarily dedicated to starting up the partnership, and the original plan to organise a large event for the sector in February could not be implemented in time. However, the fourth edition of the Transparency Prize was a success. As our new partner, the Civil Society Foundation has taken over the role of Donor Association and now organises and presents the prize in this capacity (www.transparantprijs.nl). The Transparency Prize aims to encourage charitable institutions to improve the quality of their reporting by means of best-practice sharing. This, in turn, gives donors, volunteers and society at large better insight into the way they conduct their activities and the results they achieve through their expenditures.

CR engagement of employees

During the past year we spent a total of 19,020 hours on CR. This is less than the 20,000 hours we had targeted but more than 2006/2007's 15,506 hours). The number of employees engaged in CR during the past year also increased from 398 in 2006/2007 to 488. Our target was for 10% of all our people to be engaged in CR and we achieved that target. For 2008/2009 we have maintained our target at 20,000 hours and are seeking to increase the number of all PWC employees engaged in CR by 25% compared to 2007/2008.

One good yardstick for assessing CR engagement is our People Survey, an annual employee satisfaction survey.

According to this survey, 67% of PwC employees are familiar with CR. In addition, the People Survey 2008 shows that 67% of PwC people agree with the CR policy and that 23% of employees intend to make an active contribution to a CR project in the coming year.

Many employees also do community work in their own communities. This is evident from the large number of external positions held by our people. We are also aiming to reach these employees with our CR commitment and are therefore planning to start up the 'What matters 2U' programme in 2008/2009. Employees who devote a significant part of their spare time to civil society organisations may nominate their good cause for a modest one-off contribution from PwC. These donations will not be charged to our CR budget but to a separate fund generated by voluntary contributions from PwC employees which is to be set up during the coming year.

Netherlands Albert Schweitzer Fund

The Netherlands Albert Schweitzer Fund (NASF) is a foundation that supports small-scale and local healthcare projects, mainly in Africa. In doing so, it draws inspiration from the philosophy of Albert Schweitzer. Faced with a rapidly ageing donor base, NASF urgently needed to rethink its policy and marketing strategy - a task that required expert advice. The LaLuz Foundation pointed them in the direction of Kam Mai Tan, an advisor in our Justice, Police and Security Advisory practice. Over a period of several months Kam Mai spent a half-day each week devising a strategic policy plan for NASF, which was adopted by the Board of the Foundation. The plan aims to retain existing donors whilst attracting new and younger recruits and aims to achieve this by developing new activities.

My Projects

In addition to our centrally coordinated pro bono projects, we also provide time and resources via individual employees who are involved in personal community initiatives called 'My Projects'. The minimum requirements are that a partner or director be involved and that the project make use of the 'synergy' within the organisation. In addition, the go-ahead is given only once a well-thought-out project plan has been drawn up with clearly defined objectives and targets as well as a timetabled action plan. The work performed for a 'My Project' does not differ in any respect from the normal engagements we carry out for our clients, except that no invoice is raised.

Last year we completed 51 such 'My Projects', thus comfortably surpassing our target of 40. In 2007/2008 we spent a total of 7,439 hours on My Projects (target: 7,500 hours).

De Slinger

We see that most of our 'My Projects' originate from our larger offices. To encourage greater engagement among our employees outside the Randstad conurbation, we will be stepping up our involvement with de Slinger (www.slinger.nu) in 2008/2009. De Slinger is a network of various local parties who wish to make a contribution to their town and region through community projects. De Slinger acts as a platform for matching 'supply and demand' via its website and network meetings. It has been one of our central CR projects for a number of years now. In addition to our participation in the local Slingers, we support the central organisation with expertise and we accommodate the project bureau in our offices in Amsterdam and Rotterdam. During the past year we have taken an active part in setting up Slinger networks in The Hague, Utrecht, Hengelo, Maastricht, Almere, Eindhoven and Zwolle, all of which are locations where we have offices.

Bas van de Goor Foundation

The Bas van de Goor Foundation's mission is to improve the lives of people with diabetes by encouraging them to take part in sports. Sport is not only good for weight and fitness, but is also an excellent way to control glucose levels and insulin intake. Bas van de Goor, Olympic gold medal winner and initiator of the foundation, has made it his personal goal to demonstrate to people with diabetes what they can achieve through sport. A team of specialists from the various Lines of Service helped the foundation to write the business plan. In addition, PwC provided tax advice and helped to set up the administration of the foundation.

Priority 5: Objectives for 2008/2009

- Intensify the cooperation with the Civil Society Foundation by setting up new centrally coordinated CR projects in the Charity Economy;
- Spend 20,000 hours on CR projects;
- Create the 'What matters 2U' fund;
- Increase employee involvement in CR projects by 25% compared to 2007/2008;
- Start up new centrally coordinated CR projects from the local Slinger initiatives;
- Expand Kids Moving the World as part of our focus on education by increasing the number of participating primary schools to 20% and by deploying at least 80 Game Guides.

Kids Moving the World

The CR activities of our international organisation focus on education as the central theme. In the Netherlands we are also active in education through our participation in Kids Moving the World, a foundation that PwC set up together with TNT, Ricoh and Logica (www.kidsmovingtheworld.nl). Kids Moving the World supports the UN's World Food Programme (WFP), particularly the 'School Feeding Program' which offers a healthy meal during the school day to encourage children and parents to continue with their education.

The Kids Moving the World Foundation aims to make primary school children more aware of the problem of hunger in the world. The foundation has developed several professional teaching kits that are offered free of charge to primary schools. The teaching kits include an interactive board game that is played under the supervision of PwC employees who have volunteered to be Game Guides.

The programme was launched early this year within PwC and elicited a tremendous response. The initial aim was to provide some 25 Game Guides, but we had 80 PwC volunteers within just a few days. In the end, 49 PwC employees were trained as Game Guides in September 2007 and they supervised a total of 329 groups during the past school year. The volunteers who have not yet been trained are already active as 'school recruiters'.

In the past school year 800 primary schools took part and 58,000 children played the game. This represents some 10% of the primary schools in the Netherlands. For the coming year, together with our partners of the Kids Moving the World Foundation, we aim to expand the number of participants to 20% of primary schools in the Netherlands. We also aim to offer new modules (about climate change) and increase the number of participating groups per school. Another aim for the coming financial year is to deploy at least 80 PwC employees as Game Guides. In addition, the foundation's project office is housed in the PwC office in Rotterdam, making it easier for us to assist with the school recruitment campaigns.

Our impact on people

Priority 6: Responsible leadership

Developing talent

Our approach to Learning and Development is aimed at achieving an optimal balance between standardised programmes and personalised assistance, both inside and outside PwC. In 2007/2008 we developed an entirely new Management Development Programme, devoting much attention to personal choices and circumstances within career development. The programme centres on the development of core competencies. Aspects such as diversity, responsibility and behaviour are strongly interwoven in this programme. All management members, from manager to director, take part in the management development programme and follow the modules that relate to their specific position levels.

In 2006/2007 we also developed a new coaching model. Partners and employees can now be assigned more than one coach so that they receive feedback and support from different perspectives (job, performance and career) to help them with their individual career and development choices. This model forms a key part of our talent management strategy, and we have therefore also developed a specific training course during the past year to help employees establish effective coaching relationships.

Diversity and inclusion

Diversity is a strategic theme based on the premise that diversity fosters talent. The quality of service is demonstrably enhanced when employees of different cultures, backgrounds and experience work together and challenge each other to resolve business issues. The embedding of diversity in our business operations is both an internal and an external message that diversity is a strategic issue for PwC. Our Diversity Office, with a Diversity Director who reports directly to the Board of Management, was specifically set up to promote this theme.

Awareness is another important area of focus. More than 223 partners and 91 directors have already attended our diversity awareness training sessions. In 2008/2009 we will also start up a diversity module for our (senior) managers as part of the management development programme.

Priority 6: Objectives for 2008/2009

- Make values and CR a more prominent part of project appraisals;
- Increase the number of female partners from 5% to 10% by 2011;
- Embed diversity in all our processes, such as recruitment and selection, communication, Learning and Development, assessments, promotion decisions etc.

In May 2008 PwC, together with other leading employers, signed the 'Talent to the Top' covenant of the task force of the same name and, in doing so, committed ourselves to a policy aimed at encouraging the advancement of more women to the top corporate echelons.

The tangible results of our policy and actions are now becoming clear, though we realise that ongoing communication of objectives and progress, as well as an open discussion of behaviour among colleagues, remains crucial if we are to continue moving forward. The number of female managers has increased from 24% in 2003 to 30% in 2007 and the number of female senior managers rose from 16% to 22%. Unfortunately, the number of female directors decreased from 11% to 10%, but the number of female partners climbed from 3% to 5%. This latter percentage is still small, but the pool of female talent has demonstrably increased, opening up more opportunities for women to achieve leadership positions. This is partly a consequence of the sharply declining turnover rate among women - down to 16.8%, from 20.5% in 2006/2007.

In 2007/2008 three new networks of female (assistant) managers were set up alongside the national network of senior managers, directors and partners. These three regional networks are crucial as the staff turnover rate among women is particularly high at this level. As part of our management development programme, we have also developed a female leadership programme which stresses the need for authenticity while not ignoring the masculine elements in our daily practice.

Following the lead provided by our UK and US firms, amongst others, the Netherlands organisation also took the initiative to set up a Gay and Lesbian Network. The first meeting was held in May 2008. We also initiated a study into ethnic diversity as part of our recruitment efforts.

Diversity monitor

In 2006 we carried out our first-ever diversity monitor among employees. This demonstrated that there are still a number of obstacles in our path in terms of being an inclusive organisation. In June 2007 we repeated this survey, and 63% of employees responded (2006: 52%).

Progress is clear in several areas. Support for the diversity policy is growing. Men indicate that management has become more adept at dealing with diversity, while women say they feel more 'at home' in our culture compared to 2006. In addition, the Diversity Monitor showed that both men and women have noted an increased willingness to promote women to the higher echelons of the organisation. However, a number of major challenges remain. Active support for employees with children (both men and women) received the poorest rating in the survey, and this has led to a number of improvements in the conditions of employment, such as the introduction of daddy leave, childbirth leave and the nanny allowance.

Priority 7: Impact on our employees

Within PwC we are currently placing more emphasis on an integrated health policy. This involves devoting attention to a good working climate with healthy labour relations and scope for work-life balance choices. The Health & Safety Policy of PwC is subject to regular internal review and external audit based on a risk inventory and evaluation process (RI&E). A broad range of aspects in the field of working conditions, risks and safety are included in the RI&E. In 2007 PwC was rated as 'good', with no noteworthy recommendations. For the coming year we have set ourselves the goal of getting our health policy certified under the 'Model of Good Practice Health Management', the quality rating issued by the International Institute for Health Management and Quality (IHMQ).

Each year we carry out a study into screen-based working and workload. In the past year our computer usage remained virtually unchanged at an average of 3:31 hours of active screen-based working hours per day (2006/2007: 3:30 hours). This, however, is still much higher than the national average and also higher than our sector average. In the coming year we will be monitoring the use of computers more intensively.

Employees with work-related complaints can make use of the company physiotherapists who are available at a large number of our locations each week. Following a successful pilot conducted in 2006 and 2007 involving a total of 872 colleagues, all employees will be given an opportunity to take part in the PwC 'Vitality' Scan in the coming years. During this scan a doctor checks the employee's mental and physical health. Immediately after the check-up the doctor discusses the results with the employee on the basis of a report and also gives practical health improvement tips and suggestions. The overall conclusions of this Vitality Scan will be made available at group level to PwC. This will provide valuable input for further enhancement of our working conditions.

Priority 7: Objectives 2008/2009

- Achieve 65% participation in the PwC Vitality Scan;
- Obtain the IHMQ Model of Good Practice Health Management certificate;
- Develop an information brochure on setting up a workplace at home.

Developments in our conditions of employment

During the past year we have made new agreements with the Works Council regarding our conditions of employment; these took effect on 1 September 2008. The new package is designed to ensure that people feel genuinely appreciated and rewarded for their hard work. In addition, it allows employees optimal scope and opportunity to combine their work with external activities in which they choose to get involved. The conditions of employment support the implementation of the diversity policy.

One important aspect of the new package is flexibility and individual choice in relation to working hours. As part of our CR commitment we feel people should be able to avoid traffic congestion as well as have the opportunity to accompany their children to and from school or day care. We are also exploring opportunities for facilitating structural telecommuting, which would in principle enable employees to work a maximum of 20% at home on an ongoing basis provided that they are available at least three days a week either at the office or at clients.

Our leave schemes have also been updated, and we have introduced various forms of child care leave. Employees with a contract of at least five years may opt to work 80% of their hours at 90% of their salary for a maximum of two years in order to look after their children (up to 8 years old). With this measure we aim to make it easier for employees with young families to find the right balance between working, parental duties and leisure time. In the same vein we have also introduced 'daddy leave', which entitles fathers to ten days of childbirth leave. Another new scheme is the 'nanny allowance'. If part-timers are unexpectedly required to work on one of their free days, the extra child-minding costs will be refunded in certain circumstances.

People Survey

We attach great value to what our employees think of PwC as an employer. We therefore hold an annual survey which allows employees to express their views as to what they think is good and where they see scope for improvement. The results of this People Survey are used as input for our Human Capital policy.

One positive development from the results of the past year's survey is that our people do recognise that several key strategic HC themes have been seriously addressed. Among other things, diversity and internal mobility achieved significantly better scores than last year - at 67% (+7%) and 61% (+8%) respectively. In addition, 75% of staff feel appreciated as an individual and 80% believe that management proactively lives up to the Code of Conduct.

The conclusions are similar to those of the previous year, though the scores did drop off in a number of areas. Eighty-three per cent of employees are proud of PwC. Seventy-six per cent appreciate the variety of challenging engagements and 84% see a great many opportunities for growth and development, while 79% would recommend PwC as an attractive employer (down from 86% last year).

Our 'recurring shortcomings' include criticism of the remuneration policy and of insufficient performance-related differentiation. Only 27% think that PwC is well-placed to retain talented people. Though 4% better than last year, this is still far too low.

Proactive approach to recruitment

In the summer of 2007 we launched a new labour market campaign and a new recruitment internet site. In this increasingly tight market PwC is looking to recruit talented people from a variety of backgrounds. In this context, we believe that a person's ideas, opinions and talents are just as important as their educational background.

Our impact on the environment

PwC Malawi Mission 2008

We selected 12 Tax & HRS students for a visit to Malawi in July 2008 with a group of PwC mentors. Both the actual trip and the earlier selection day were dedicated to Kids Moving the World (see page 16). During the selection day, the candidates played the Kids Moving the World game and were presented with a case study on the fiscal structuring of the cooperation between TNT and the World Food Programme.

The visit to Malawi centred on PwC's CR projects and services. By way of preparation, the winners came to our office to work with a team of professionals on an ongoing tax advisory engagement for a jatropha plantation. Jatropha is a good source of bio-fuel. During the visit the students visited a number of schools linked with Kids Moving the World. At these schools each student taught a class and helped to distribute food to the children. They also visited the jatropha plantation and presented PwC's final report to the client.

Priority 8: Impact on the environment

Mobility

The introduction of our climate-neutral car lease scheme in 2005 marked a clear step forward in reducing our CO₂ emissions. Since the start of the scheme, both standard fuel consumption and actual fuel consumption have fallen year on year. No less than 80% of all our lease cars on the road now have a lower average standard consumption than the average for the relevant lease category at the start of the scheme.

Based on our lease company's benchmark data, PwC's total fleet has on average become 4.8% more fuel-efficient for diesel cars and 5.5% more fuel-efficient for petrol cars when compared to the lease company's overall fleet average.

During the past year our lease cars were on average 3.4% more fuel-efficient (standard consumption) than in 2006. The actual fuel consumption decreased by 1.3% relative to 2006. The year-end settlement under our bonus/penalty scheme shows that, in 2007, 75% of our lease drivers remained within the set bandwidth in terms of actual fuel consumption (2006/2007: 70%). A total of 496 employees received a bonus because they drove more economically than expected on the basis of the standard consumption, while 97 employees incurred a penalty.

For the coming year the car scheme for partners was also amended and brought into line with the climate-neutral car scheme for employees.

According to our records PwC employees drove 62.4 million business kilometres in 2007/2008, representing an increase of 5.3% relative to 2006/2007, and the number of kilometres per employee increased by 2.1%. We also travelled more by air last year. Our air travel kilometres increased by 33.9% compared to 2006/2007, a very substantial increase caused by the internationalisation of our client engagements. Our non-client-related air travel kilometres decreased.

Energy consumption

Another important impact on the environment is the energy consumption in our offices. As at balance sheet date we occupied 17 office buildings. These are buildings

which we either rent as the sole tenant or share with other tenants. It can be difficult, particularly at the shared office premises, to obtain insight into our energy consumption. For this reason, we measure our own electricity and gas consumption insofar as this is possible. Where no actual consumption data are available, we make an estimate based on extrapolation. This year our total energy consumption was 100.3 terrajoules, an increase of 4.6% compared to 2006/2007. Per FTE this works out at an increase of 1.4% relative to 2006/2007. Our total CO₂ emissions are lower than last year because we have been buying green power for our larger offices since 1 May 2007 and, consequently, the CO₂ emissions related to electricity consumption have fallen sharply.

Carbon Disclosure Project

In the past year PwC partnered with the Carbon Disclosure Project (CDP) in the Netherlands. This is an independent not-for-profit-organisation dedicated to setting up a structural information supply on the implications of climate change for shareholder value and corporate business strategies.

The CDP represents a group of 385 investors with more than USD 57 billion under management. On behalf of this group the CDP carries out an annual survey among some 3,000 listed companies. By means of a questionnaire, CDP invites companies to report on their emissions and climate strategy. This information is then made public. CDP thereby manages the world's largest database of CO₂ emissions data and has grown into a global standard for the calculation and reporting of CO₂ emissions.

In 2008, the CDP expanded its activities to include listed companies in the Netherlands. We welcome this development because it helps companies benchmark their CO₂ results to comparable companies. More and more executives are realising that CO₂ emissions come at a price. Reliable CO₂ information is therefore vital for strategic and operational decision-making. As a CDP partner, PwC draws up the country report and helps companies to determine and communicate their CO₂ footprint.

Climate neutral

Since 2006/2007 our business operations have been climate neutral because we buy CO₂ credits that compensate the CO₂ emissions of our car and air travel kilometres and of our energy consumption. Until recently we invested in renewable energy projects that fell within the Kyoto protocol's Clean Development Mechanism (CDM) standard. However, with effect from 1 January 2008, we decided to compensate our CO₂ emissions via projects falling within the Gold Standard developed by the environmental movement. The latter's stricter requirements regarding the additionality of projects means that the project is accepted only if it can be demonstrated that the CO₂ reduction resulting from the project would not have been achieved if the CO₂ credits could not have been traded.

Paper consumption

To support our aim to reduce paper consumption per employee, we began last year to replace our heavy-duty printers with multifunctional machines that default to double-sided printing. This year we started to incorporate double-sided printing functionality into our regular printers. This resulted in a further decrease in paper consumption, continuing the downward trend of recent years. In 2007/2008 a total of 424 tons of paper were purchased, representing an absolute increase of 2% compared to last year and a decline of 1.1% per FTE, thereby achieving our target. Our aim for the coming year is to sustain this downward trend.

Leaders for Nature

We realise that our low CO₂ footprint is the consequence both of CO₂ compensation and of measures taken centrally. However, both our energy consumption and our air travel and car kilometres are rising. So it is clear that we are still insufficiently able to cut CO₂ emissions by changing behaviour within the organisation. We aim to remedy this by reducing our CO₂ footprint (before compensation) by 10% in the coming three years.

This can only be achieved if we manage to involve and motivate our employees in this process. To this end, in the coming year we will create an internal ambassador network of PwC people dedicated to climate change. This will be done in association with Leaders for Nature, an initiative of the World Conservation Union (IUCN), which is a global network of national initiatives for sustainable development. Leaders for Nature was launched in 2005 and immediately caught the public eye because of an open letter sent by a large group of

executives, including our own chairman of the board, to the government being formed at that time. The letter called upon the government to step up efforts to promote sustainable development. This was followed in 2007 by a second open letter signed by the Young Professional organisations of the participating companies, including Young PwC.

At a meeting held on 12 January 2008 a delegation from Young PwC committed itself to becoming a Leader for Nature. The most important elements of their 2008/2009 plan are as follows:

- To clearly identify and detail our CO₂ footprint and report this monthly to Business Unit Leaders;
- To create an ambassador network within the organisation through which Leaders for Nature enter into a dialogue with their partners and managers regarding possible measures.

Through the Leaders for Nature initiative we not only expect to achieve lower CO₂ emissions but also to make a contribution to our overarching objectives of further integrating CR into our organisation and engaging more employees in these efforts.

Priority 8: Objectives 2008/2009

- Reduce our CO₂ emissions by 10% in 2011 compared to 2008;
- Further reduce our paper consumption per FTE;
- Draw up a CO₂ reduction plan as part of the Leaders for Nature project;
- Create an ambassador network of Leaders for Nature within PwC.

Key CR figures

| | 2007/2008 | 2006/2007 | 2005/2006 | 2004/2005 |
|--|-----------|-----------|-----------|-----------|
| Priority 1: Culture, ethics and values | | | | |
| Number of complaints and reports ¹ | 3 | 1 | 3 | 2 |
| Priority 2: Client service delivery | | | | |
| Growth in CR-related revenue (percentage) | 51.2 | NM | NM | NM |
| Number of CR-related client engagements | 73 | 64 | NM | NM |
| Priority 3: Supply chain responsibility | | | | |
| Electricity from renewable sources (percentage) | 78.5 | 14.2 | 0 | 0 |
| Priority 4: Public debate | | | | |
| CR Index 'contribution to the public debate' | 128 | NM | NM | NM |
| Priority 5: CR Projects | | | | |
| Number of staff engaged in CR (per 100 FTEs) | 10.9 | 9.2 | 8.1 | 3.0 |
| Number of completed CR projects | 54 | 37 | 28 | 7 |
| - Centrally coordinated CR projects | 3 | 1 | 1 | 1 |
| - 'My Projects' | 51 | 36 | 27 | 6 |
| Number of hours spent on CR projects | 19,020 | 15,506 | 12,375 | 4,230 |
| - Centrally coordinated CR projects | 7,377 | 5,224 | 3,624 | 1,148 |
| - 'My Projects' | 7,439 | 6,906 | 6,531 | 1,865 |
| - Internal projects and general coordination | 4,204 | 3,376 | 2,220 | 1,217 |
| Priority 6: Responsible leadership | | | | |
| Number of participants in Responsible Leadership programmes ² | 37 | 11 | NM | NM |
| Number of hours spent on Learning & Development (per FTE) | 129 | 129 | 121 | 118 |
| Diversity (percentage of women) | 41.0 | 40.3 | 39.7 | 39.9 |
| - Support staff | 70.9 | 67.6 | 68.7 | 69.1 |
| - Professional staff | 34.0 | 33.4 | 32.7 | 32.4 |
| - Partners | 5.3 | 4.0 | 3.7 | 3.0 |
| Priority 7: Impact on our employees | | | | |
| Number of staff per job category | 4,870 | 4,671 | 4,526 | 4,341 |
| - Support staff | 1,126 | 1,098 | 1,080 | 1,086 |
| - Professional staff | 3,481 | 3,325 | 3,203 | 3,020 |
| - Partners | 263 | 248 | 243 | 235 |
| Number of staff per Line of Service | | | | |
| - Assurance | 2,414 | 2,390 | 2,318 | 2,210 |
| - Advisory | 554 | 463 | 401 | 354 |
| - Tax & HRS | 1,341 | 1,274 | 1,255 | 1,228 |
| - Firm Services | 561 | 544 | 552 | 549 |
| Number of positive-minded staff (percentage) | | | | |
| - Would recommend PwC as an attractive employer | 79 | 86 | 83 | 86 |
| - Are proud to work for PwC | 83 | 85 | 82 | 86 |
| - Believe PwC offers good opportunities for personal growth | 84 | 88 | 87 | 86 |
| NA: Not available NM: Not measured | | | | |

1) Handled by the Business Conduct Committee or Complaints Committee.

2) This relates to the international PwC leadership programmes Genesis Park, Ulysses, Oasis and My Way.

| | 2007/2008 | 2006/2007 | 2005/2006 | 2004/2005 |
|---|-----------|-----------|-----------|-----------|
| Absenteeism (percentage) | 3.7 | 3.9 | 4.1 | 4.5 |
| Recruitment and attrition (number of staff) | | | | |
| - Voluntary attrition | 556 | 596 | 545 | 493 |
| - Non-voluntary attrition (incl. retirement) | 140 | 167 | 163 | 181 |
| - New recruits | 923 | 949 | 898 | 786 |
| - Seconded from PwC ³ | 48 | 49 | 55 | 32 |
| - Seconded to PwC ³ | 62 | 49 | 56 | 42 |
| Average employee age | 33.2 | 33.1 | 32.9 | 32.9 |
| Service years | | | | |
| - For male employees | 6.9 | 7.0 | 7.2 | 7.5 |
| - For female employees | 6.2 | 6.2 | 6.4 | 6.5 |
| Part-time work | | | | |
| - Percentage of men working part-time | 10.8 | 10.1 | 9.5 | 8.2 |
| - Percentage of women working part-time | 41.6 | 41.4 | 41.5 | 43.0 |
| Workload | | | | |
| - Average number of screen-based working hours per day | 3:31 | 3:30 | 3:27 | 3:20 |
| Priority 8: Impact on the environment | | | | |
| Paper (in kg per FTE) | | | | |
| - Purchased printer and copier paper ⁴ | 95 | 96 | 78 | 81 |
| - Recycled paper, cardboard and printed matter ⁵ | 71 | 70 | NM | NM |
| Car ⁶ | | | | |
| - Number of business kilometres (per FTE) | 13,926 | 13,643 | 13,832 | 14,196 |
| - Average standard consumption ⁷ (litres per 100 km) | 6.8 | 7.0 | 7.3 | NA |
| - Average actual consumption ⁷ (litres per 100 km) | 7.8 | 7.9 | 8.6 | NA |
| - Number of bonuses awarded under the climate-neutral car scheme | 496 | 561 | 0 | 0 |
| - Number of penalties issued under the climate-neutral car scheme | 97 | 131 | 0 | 0 |
| Air travel | | | | |
| - Number of kilometres flown (per FTE) | 7,135 | 5,497 | 5,657 | 4,429 |
| - Number of flights (per FTE) | 4.2 | 3.5 | 3.6 | 2.9 |
| Train | | | | |
| - Number of business kilometres (per FTE) | 202 | 107 | NM | NM |
| - Number of journeys (per FTE) | 1.48 | 0.82 | NM | NM |
| CO ₂ emissions (in tons) | 18,531 | 21,127 | 21,133 | 19,987 |
| - Cars | 11,005 | 10,573 | 10,414 | 10,494 |
| - Air | 3,982 | 3,000 | 2,919 | 2,248 |
| - Train | 31 | 16 | NG | NG |
| - Electricity ⁸ | 1,414 | 5,595 | 6,398 | 5,742 |
| - Gas ⁸ | 1,349 | 1,283 | 1,402 | 1,504 |
| - District heating | 750 | 659 | NM | NM |
| CO ₂ -compensation (in tons) | 18,531 | 21,127 | 11,304 | 0 |
| NA: Not available NM: Not measured | | | | |

3) 2006/2007 adjusted.

4) 2006/2007 adjusted in connection with new definition (to include paper used in external printed matter).

5) Extrapolated on the basis of actual measurements.

6) Excluding partners.

7) Based on calendar years.

8) Extrapolated on the basis of actual measurements.

External Assurance

We consider it important to obtain specific assurance on our Corporate Responsibility Report. In our engagement to KPMG we asked for reasonable assurance on the most important sections of our Corporate Responsibility Report and limited assurance on the other sections. The difference between the two lies in the scope and extent of the assurance procedures and consequently the amount of evidence obtained to substantiate the conclusions. In the future we intend to grow towards reasonable assurance for the entire Corporate Responsibility Report.

The assurance report of KPMG is included in the opposite column. Alongside their conclusions about the reliability of the information in the report, KPMG gives us two recommendations that we will give serious consideration in the implementation of our CR year plan for the coming year.

As explained on page 7 we want to organise more frequent stakeholder workshops in order to keep a sharp focus on what are the most important issues for us. Part of this consists of exchanging thoughts and views with our stakeholders on dilemmas that confront us in our work. We agree with KPMG that explanatory notes on dilemmas which our stakeholders perceive to be related to important issues will improve the quality of our Corporate Responsibility Report.

Assurance report

To the readers of the Social Report 2007/2008 of PricewaterhouseCoopers B.V.

Introduction

The Board of Management of PricewaterhouseCoopers B.V. (further referred to as PwC) has asked us to provide assurance on the information in the Social Report 2007/2008 (further referred to as the Report). The Report, including the identification of issues to be reported, is the responsibility of the Board of Management of PwC. Our responsibility is to issue an assurance report on the information in the Report.

Context and scope

In the Report, PwC describes its efforts and results in the field of Corporate Responsibility (CR). Our engagement was designed to:

- provide reasonable assurance as to whether the data for the financial year 2007/2008 and accompanying notes on the following subjects are reliable:
 - PwC's impact on society in the section entitled 'Our impact on society';
 - PwC's responsibility as employer in the section entitled 'Our impact on people';
 - PwC's impact on the environment in the section entitled 'Our impact on the environment';
 - PwC's results in the section entitled 'Key CR figures';
- provide limited assurance as to whether the other information in the Report is fairly stated. Procedures performed to obtain limited assurance are aimed at determining the plausibility of information and are less extensive than those performed to obtain reasonable assurance.

Standards and criteria

We conducted our engagement in accordance with Standard 3410N 'Assurance engagements relating to sustainability reports' of the NIVRA (Royal Netherlands Institute of Registered Accountants). This Standard requires, amongst other things, that the members of the assurance team possess the specific knowledge, skills and professional

competencies needed to understand and review the information in the Report, and that they comply with the requirements of the IFAC Code of Ethics for Professional Accountants to ensure their independence.

There are no generally accepted standards for reporting Corporate Responsibility performance. PwC applies the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative (GRI) for drawing up the Report. In our opinion, the reporting criteria are applicable within the context of our assurance engagement.

Work undertaken and conclusions

With regard to the reliability of the data for the 2007/2008 financial year and the accompanying notes on the subjects listed in 'Context and scope', we performed the following activities:

- Assessment and testing of the design and functioning of the systems and processes used for information registration, collection and management for the reported data and accompanying notes, including calculations and consolidation of the results;
- Auditing internal and external documents to determine whether the information in the Report is supported by sufficient evidence;
- Analysis of the reported data and accompanying notes;
- Auditing the application of the internal principles for information management and the internal controls used in drawing up the reported data and accompanying notes;
- Interviews with relevant staff responsible for the analysis and reporting of the data and accompanying notes for these indicators.

Based on our work, we conclude that the data for the financial year 2007/2008 and accompanying notes are reliable for the following subjects: 'Our impact on society', 'Our impact on people', 'Our impact on the environment' and 'Key CR figures'.

With regard to the other information in the Report, we carried out the following activities:

- A review of the results of the stakeholder dialogue;
- A review of the systems and processes for information management, internal control and processing of the other information;

- A review of internal and external documents to determine whether the other information in the Report is supported by sufficient evidence;
- Interviews with relevant staff responsible for the analysis and reporting of the data in relation to these indicators;
- A review of the application level according to the GRI G3 Guidelines.

Based on our work, the other information in the Report does not appear to be unfairly stated.

Recommendations

Our review led to recommendations for improving the Report. Without affecting the conclusions presented above, we would like to draw the readers' attention to the following:

PwC has clearly involved stakeholders in the preparation of this Report. During the dialogue with its stakeholders it discussed which issues within the eight priorities are the most important for PwC. Part of the dialogue took place subsequent to the determination of the issues to be included in the Report. We recommend that PwC put the stakeholder dialogue process on a more structured footing by coordinating and aligning it with the preparation of the Report.

The Report describes PwC's activities and results in relation to defined priorities. We recommend that PwC discuss the most important dilemmas they encounter in relation to these priorities in more depth. In our opinion this would further reinforce the balance of the Report and thus increase its relevance and credibility.

Amstelveen, 16 September 2008

KPMG Sustainability
drs. W.J. Bartels RA

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